

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019

# A Bill

HOUSE BILL 1914

4  
5 By: Representative Cavanaugh  
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## For An Act To Be Entitled

8 AN ACT TO AMEND THE RENTAL PURCHASE ACT; AND FOR  
9 OTHER PURPOSES.

### Subtitle

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12 TO AMEND THE RENTAL PURCHASE ACT.  
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16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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18 SECTION 1. Arkansas Code Title 4, Chapter 92, Subchapter 1, is amended  
19 to add an additional section to read as follows:

20 4-92-108. Personal property – Repossessed rental merchandise.

21 (a) This section applies when merchandise becomes attached to the  
22 personal property of the consumer that is subject to a perfected lien of a  
23 secured creditor while the merchandise is being leased from a lessor under a  
24 rental-purchase agreement.

25 (b)(1) If a secured creditor has a security interest in the personal  
26 property of a consumer and the merchandise has become attached to that  
27 consumer's personal property, and a lessor repossesses the merchandise  
28 attached to the consumer's personal property before the consumer becomes the  
29 owner of such merchandise, then at the time of repossession the lessor shall  
30 install substitute new or used factory quality equipment that is reasonably  
31 calculated to keep the personal property of the consumer usable and operable.

32 (2) A lessor is liable to a secured creditor for the cost and  
33 installation of the substitute equipment if a lessor does not comply with  
34 subdivision (b)(1) of this section at the time of repossession.

35 (c) If a secured creditor repossesses the collateral of the secured  
36 creditor before the consumer becomes the owner of the merchandise that is



1 attached to the collateral and before the collateral is resold, then the  
2 secured creditor shall:

3 (1) Work with the lessor to comply with subdivision (b)(1) of  
4 this section; or

5 (2) Pay the lessor whichever is the lesser amount:

6 (A) The original cost of the merchandise; or

7 (B) The total of remaining rental payments on the  
8 consumer's rental purchase agreement with the lessor.

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